



Presentation to the 2011 Health and Human Services Joint Appropriation Subcommittee

CHILD SUPPORT ENFORCEMENT

Economic Security Services Branch
Department of Public Health and Human Services

Reference:

Legislative Fiscal Division Budget Analysis, Volume 4 Section B, Page B-100 – B-105

CONTACT INFORMATION

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OVERVIEW

Child support payments are an integral part of the monthly budget of most people who receive them. Having this be a reliable source of income for a family is key. Often times, the DPHHS office of Child Support Enforcement is the only affordable place that people can go to have paternity established, support payments calculated and orders enforced or modified. The division also locates absent parents and helps keep children insured with their work in medical support enforcement.

The importance of the work the division does is evident from some of the comments received from the people we serve. Below are excerpts from letters we have received from the parents we serve.

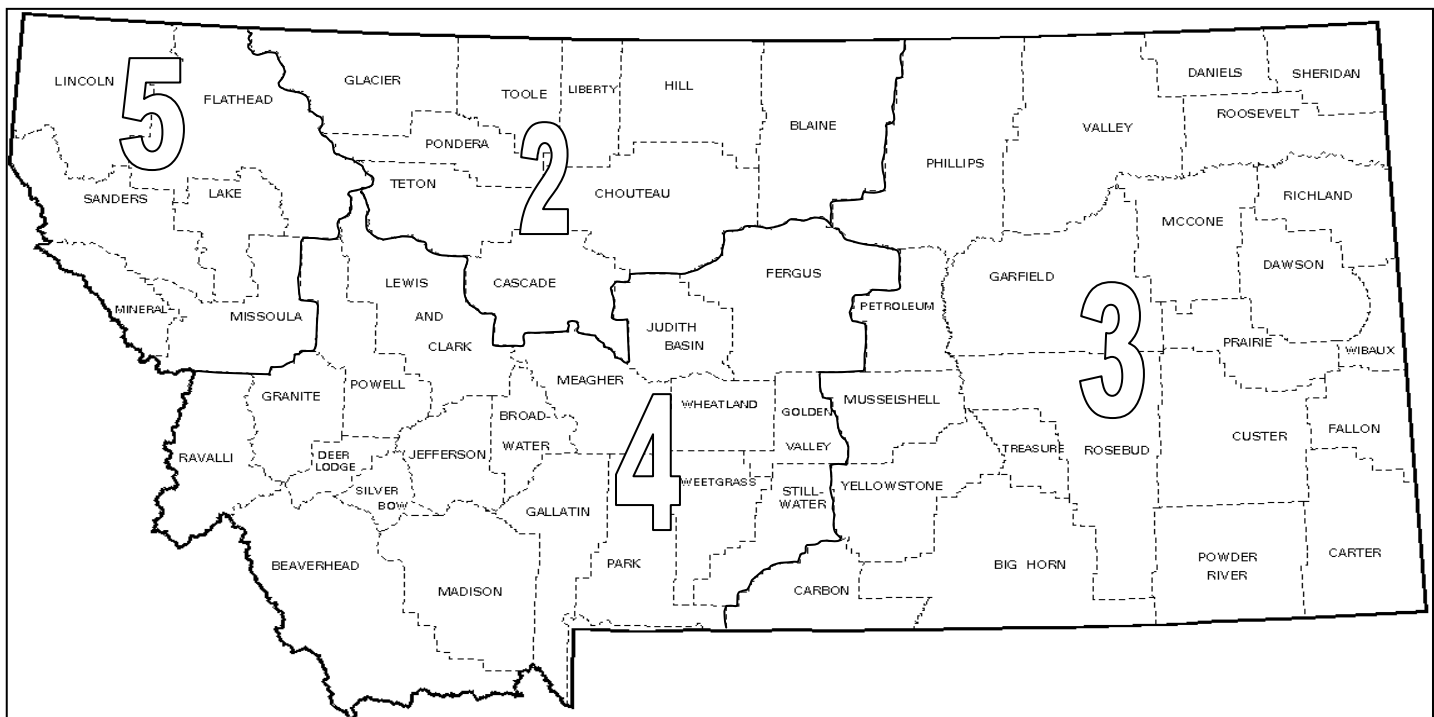
- I want to tell you what a wonderful experience I have had in dealing with [my caseworker]. He has been so kind and respectful. I believe that is so important as it helped to keep my anxiety low over a very emotional situation. (Butte Regional Office)
- I was mentally and physically drained. You have been a true blessing in my life when no one else would stand and defend my children you did. (Billings Regional Office)
- Going through a divorce was stressful enough, so it was extremely nice that I didn't have to worry about whether or not my child support case was being taken care of. I had no doubt

through the entire process that [my caseworker] was doing a great job for me. (Missoula Regional Office)

Through offices in Helena, Billings, Butte, Missoula and Great Falls, the division assists people with their child support needs. A Montana map outlining the counties and the approximate number of cases for each regional office is located below.

MONTANA CSED

REGIONAL COUNTY ASSIGNMENTS



<u>Office</u>	<u>Region</u>	<u>FTE</u>	<u>Cases (approximately)</u>
Great Falls	2	23	6,249
Billings	3	31	10,694
Butte	4	24	7,105
Missoula	5	26	8,361
Interstate	8	23	7,343
Admin Law Judge Helena		6	39,752
Payment, Processing, & Admin.		<u>34.25</u>	
Total FTE		167.25	

(case load figures are as of 10/31/2010)

SUMMARY OF MAJOR FUNCTIONS

- In SFY 2010 the CSED collected \$65,064,858 in child support on behalf of families. The majority of these collections (92%) go directly to the custodial parent. The remainder (8%) is returned to the federal and state governments for reimbursement of funds utilized for the Temporary Assistance for Needy Families program (TANF), which are funds provided to the families for basic needs and job training.
- Presently in its caseload, the CSED provides child support services to 137,340 individual participants. Child support services are available to all members of the public. The CSED does not charge for its services except for a modest case opening fee, which is never higher than \$25. Each month the CSED receives approximately 700 new applications for child support services.
- Paternity establishment services legally identify a child's father and are provided by CSFD. This is the necessary first step for obtaining an order for child support when a child is born out of wedlock. In addition to providing a legal relationship between a father and child, establishing paternity can provide a child with:
 - access to Social Security benefits, pension and retirement benefits;
 - medical insurance and health information;
 - confirmation of tribal enrollment status; and
 - important interactions and relationships with both parents.

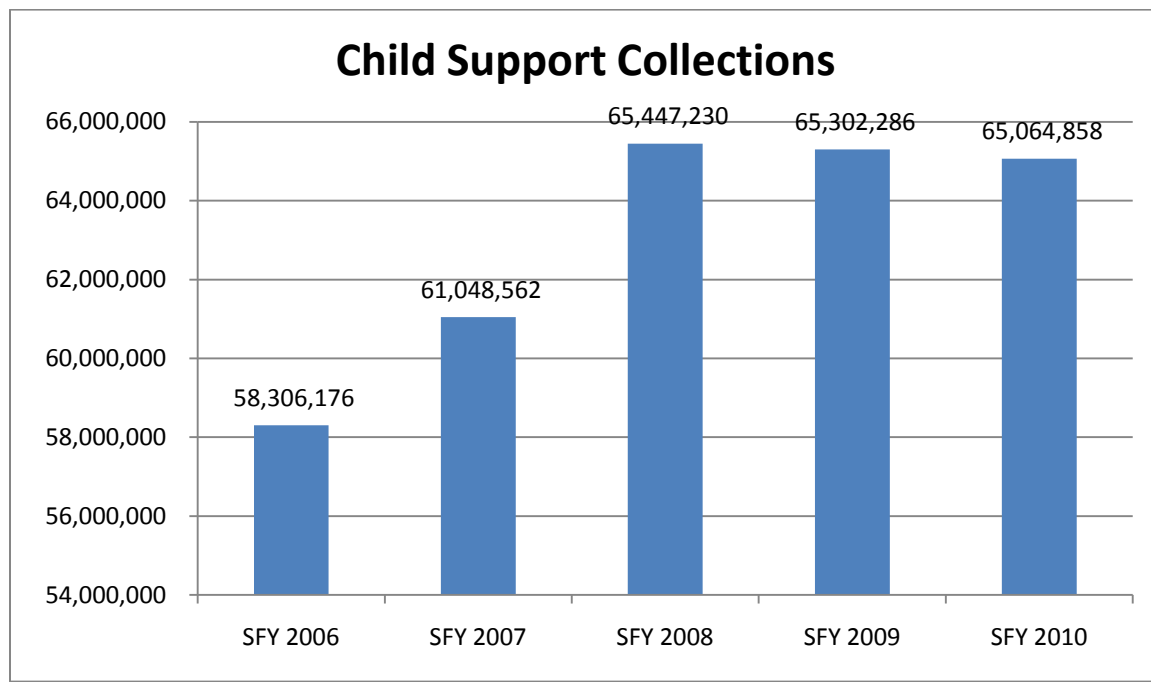
The CSED establishes paternity for children born out of wedlock. As of October 31, 2010, the CSED had 22,389 children within its total caseload of 39,752 wherein paternity had been established.

- The CSED uses state approved guidelines to determine how much a parent should pay for child support. In Montana, child support orders can be established by a court or by an administrative hearing process. During FFY 2010, the CSED administratively established 2,007 orders of support on behalf of families. Within its total open caseload of 39,752, 32,921 have had child support orders established.
- Provisions for health insurance coverage must also be included in child support orders. The CSED establishes child support orders in any support order that it establishes or modifies. The CSED also seeks to enforce the health insurance coverage when it is reasonably available to parents. Enforcing health insurance for children saves the state Medicaid costs that it would otherwise have to pay. In SFY 2010 this cost-savings was approximately \$3.4 million.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2011 BIENNIUM:

\$65 Million in Child Support collections for children

As shown on the bar graph below, for the last three state fiscal years collections of support have been maintained at a level of over \$65 million dollars per year, despite the difficult economy.



Customer conveniences increased by the introduction of the US Bank ReliaCard

On January 11, 2010 the CSED began putting child support payments on a US Bank Visa debit card. This debit card looks like any other debit card and can be used in all the usual places debit cards can be used. Our customers particularly like the flexibility of on-line purchases, such as of being able to pay for their children's school lunches and school pictures on-line. Also, our customers now get a monthly bank statement showing their transactions and account balance.

This change was beneficial to the division also, about \$240,000 per year in savings was realized from switching from the Montana Access Card to the ReliaCard. As of September 30, 2010 there was approximately \$16 million in child support payments on ReliaCards.

Electronic filing of New Hire information increased 5% from SFY 2009

Employers who are required to submit information regarding new employees may now provide this New Hire information via the web. This new option allows employers to submit information by electronic file, fax, US mail or by phone. The CSED has been encouraging electronic filing, and as of SFY 2010, approximately 54% of New Hire information is received electronically. As part of our medical insurance efforts, New Hire information includes whether or not an employer offers health insurance to their employees.

Ease in making child support payments increases as on-line child support payments almost double

More and more parents and employers are taking advantage of being able to make child support payments on-line. On-line technology makes it easy to make a payment because people can pay at any time, day or night, and from any location with a computer. On August 14, 2007, the CSED began accepting child support payments on-line from non-custodial parents and employers. After the first year, \$952,000 dollars in support had been paid using this website. By September 30, 2010 total on-line collections were just over \$2 million.

10,858 cases had medical support ordered and provided

Health insurance is very important to everybody. The CSED regularly helps children obtain health insurance through the establishment of medical support orders. Also during SFY 2010, Medicaid cost savings as a result of child support enforcement efforts was just over \$3.4 million.

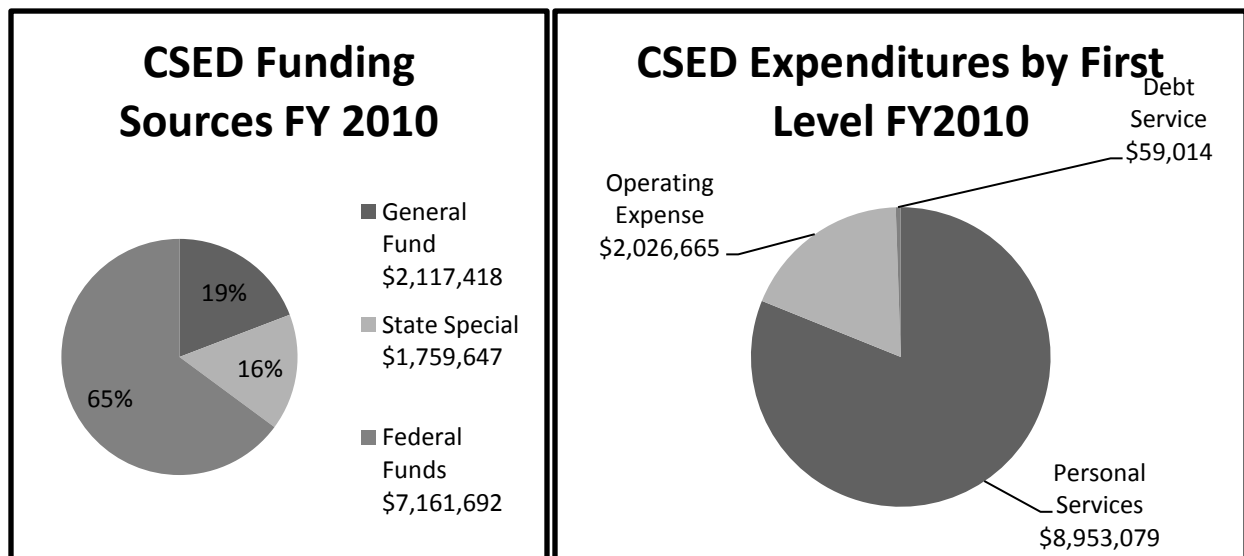
2013 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Child Support Enforcement Division	
Goals and Objectives for the 2013 Biennium Submitted September 1, 2010	
Goal:	
Objective	Measures
Obtain support for children by maintaining our ratings on federal child support performance standards.	<p>The CSED will review and analyze whether:</p> <ul style="list-style-type: none">• Child support collections have been maintained• The IV-D paternity establishment percentage has been maintained• The percentage of cases with child support orders has been maintained• The percentage of cases with current child support collections has been maintained• The percentage of cases with child support collections in arrears has been maintained• The cost effectiveness ratio has been maintained• The number of children with medical support has been maintained

FUNDING AND FTE INFORMATION

	2010 Actual Expenditures	FY 2012 Request	FY 2013 Request
Name			
FTE	167.25	167.25	167.25
Personal Services	8,953,079	9,027,969	9,026,049
Operating	2,026,665	1,831,581	1,849,517
Debt Services	59,014	59,014	59,014
Total Request	11,038,758	10,918,564	10,934,580
General Fund	2,117,418	4,081,861	4,091,895
State Special Fund	1,759,647	1,794,520	1,789,929
Federal Fund	7,161,693	5,042,183	5,052,756
Total Request	11,038,758	10,918,564	10,934,580

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2010 FOR CHILD SUPPORT ENFORCEMENT



DECISION PACKAGES (SEE LFD BUDGET ANALYSIS, PAGES B-104 – B-105)

NP 55405 – 4% Personal Services GF Bud Reduction

- This decision package reduces the general fund base budget by \$98,128 over the biennium.
- This amount represents the 4% reduction in personal services budgets as a part of the Governor's budget.
- This decision package will reduce division FTE by 3.0 FTE
- LFD Book – Page B-105

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	(\$ 49,064)	\$	(\$ 95,242)	(\$144,306)
FY2013	(\$ 49,064)	\$	(\$ 95,242)	(\$144,306)
Biennium Total	(\$ 98,128)	\$	(\$190,484)	(\$288,612)

PL 50001 – Non DofA Rent Adjustment

- This decision package requests funds for the renegotiated and inflationary changes for rent on non-state owned buildings.
- Reductions due to lease negotiations and increases for leases that could not be reduced were factored into this calculation.
- LFD Budget Book – Page B-105

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	(\$ 2,554)	\$	(\$ 4,958)	(\$ 7,512)
FY2013	\$ 3,504	\$	\$ 6,802	\$10,306
Biennium Total	\$ 950	\$	\$ 1,844	\$ 2,794

LEGISLATION

The Division has no pending or requested legislation.